



The City of New York
Office of Management and Budget
255 Greenwich St • New York, New York 10007-2146
Telephone: (212) 788-5900 • Fax: (212) 788-6300

Mark Page
Director

MEMO TO: Agency Heads

FROM: Mark Page

A handwritten signature in black ink, appearing to read "Mark Page".

SUBJECT: November 2012 Financial Plan

DATE: September 14, 2012

As you know, in June we adopted a balanced budget for the current fiscal year, FY2013, but with a financial plan forecast of a \$2.5 billion gap in FY2014, growing to over \$3 billion annually in FY2015 and FY2016.

The gaps we are facing must be addressed. We will once again need to curtail planned spending, and do so in a way that prioritizes and preserves necessary City services and quality of life.

We are seeking \$2 billion in savings for the next year and a half, through June 30, 2014. To achieve that City-wide goal, spending in City agencies, excluding Uniform agencies and the Department of Education, needs on average to decrease by an amount equal to 5.4% of the FY2013 budget, and 8% for FY2014. Uniform agency spending must decrease for the remainder of this fiscal year by an amount equal to 2.7% of the FY2013 budget, and 4% for FY2014. We are seeking cuts from the Department of Education of 1.6% of the FY2013 budget, and 4% for FY2014.

Agencies must review their proposed programs with the appropriate Deputy Mayor and submit proposals that achieve the targets described above. The proposals submitted must explicitly identify agency priorities, and the impact of proposed reductions on services. The targets for your agency are attached.

Targets may be met by reductions in personal service costs or other costs and/or recurring revenue actions. Personal service cost reductions should include the value of fringe benefit savings that will be achieved as a result (instructions on calculating fringe benefit savings are attached). Proposals should be prioritized according to your preferences ("1" should reflect the most preferred, and so on).

Reductions submitted do not necessarily represent the final outcome of resource allocation for your agency. Final programs for individual agencies may be less than or greater than the targets requested which come from City-wide averages. Depending on the economic

circumstances we face, and federal and state actions, the size of City-wide cuts may also need to increase or decrease, and implementation may need to be accelerated or other changes implemented. As the Mayor sets priorities, OMB will work collaboratively with each of you to achieve these necessary actions.

Since the budget gaps we face are likely to persist for multiple years, spending reductions that are recurring are obviously most valuable. If additional expenses not currently within your agency's budget become critically necessary in the immediate future, you should reprioritize your existing budget.

Please return your proposals to meet your agency's target to OMB no later than Thursday, October 4, 2012. The City's financial management system (FMS) provides the capability to submit your proposals electronically rather than via paper forms.

Thank you very much.

cc: Mayor Michael R. Bloomberg
First Deputy Mayor Patricia E. Harris
Deputy Mayor Linda Gibbs
Deputy Mayor Caswell Holloway
Deputy Mayor Carol A. Robles-Roman
Deputy Mayor Robert Steel
Deputy Mayor Howard Wolfson

Attachment